GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:370
ANSWERED ON:22.08.2006
EXPORT OF SERVICES
Chavda Shri Harisinh Pratapsinh;Prasad Shri Hari Kewal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether there is growth in the exports of services during each of the last three years;

(b) If so, the details thereof;

(c) Whether despite sufficient and skilled manpower, the export of services is much behind several other countries;

(d) If so, the reasons therefor alongwith the action taken in this regard; and

(e) The steps taken/proposed by the Government to promote the export of services?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.370 FOR ANSWER ON 22ND AUGUST, 2006 REGARDING "EXPORT OF SERVICES "

(a) and (b):Yes, sir. A substantial growth in the export of services has been witnessed during each of the last four years. In fact, there has been three fold increase in the export of services during this period. The details of sector-wise services exports in the last four years are as under:

(US $ million)

Sector	2005-06	2004-05	2003-04	2002-03
(Total)	60610	46031	26868	20763
i) Travel	7789	6495	5037	3312
ii) Transportion	6277	4798	3207	2536
iii) Insurance	1042	909	419	369
iv) #G.n.i.e.	305	328	240	293
v) Miscellaneo	45197	33501	17965	14253
	(23600)	(17200)	(12800)	(9600)

Source: RBI

Government not included elsewhere.

It indicates the portion of Software Services in the 'Miscellaneous'Sector.

(c) to (e): Export of services is relatively a new and upcoming sector of exports in India as compared to the developed countries, where export of services has been in existence since many decades. India is likely to match the exports of services of the developed nations in the ensuing four years if the present rate of growth is sustained.

The Government has taken the following initiatives with respect to Services Exports while announcing the Foreign Trade Policy on 1st April, 2006:-

(i) An Export Promotion Council for Services is being set up with the mandate to map opportunities for key services in key markets

and thereafter to develop strategic market access programme, to coordinate efforts for intensive brand building and marketing programme in target markets and to make necessary interventions with regard to policy, procedure and bilateral/multilateral issues.

(ii) There is a 'Served from India Scheme' administered by the Department of Commerce under which all service providers including Healthcare and Educational Service Providers as well as Engineering Process Outsourcing

(EPO) and Knowledge Process Outsourcing (KPO) service providers are entitled to duty credit scrip equivalent to 10% of the foreign exchange earned by them in the preceding financial year and the scrip can be redeemed for import of any capital goods.

(iii) Consultancy exporters can also seek financial assistance under the Market Development Assistance (MDA) and Market Access Initiative

(MAI) schemes. Under these schemes, export promotion activities like participation in Exhibitions, printing publicity materials, Market Studies etc. are encouraged.